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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 29, 1993

EX PARTE

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: CC Docket No. 93-36

Dear Mr. Caton:

Today, Mr. J. Donovan, Mr. J. Bosley and I, representing the NYNEX Telephone Companies, met with Ms. D. Lampert and Mr. D. Gonzalez of the Policy and Program Planning Division of the Common Carrier Bureau regarding the above referenced proceeding. The NYNEX representatives discussed the points contained in the attached handout.

Sincerely,



Attachment

cc: D. Lampert
D. Gonzalez

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NYNEX Recycles

**TARIFF FILING REQUIREMENTS TO PROMOTE
FAIR COMPETITION AMONG
"DOMINANT" AND "NON-DOMINANT" CARRIERS**

**NYNEX
July 29, 1993**

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Equality and Fairness have been debated between "Dominant" and "Non-Dominant" Carriers in the Policy Division's Forbearance Proceedings...

● **NYNEX Comments in CC 93-36**

"Further Streamlining of tariff filing requirements for non-dominant carriers is not consistent with the Communications Act nor is it in the Public Interest."

● **One Day Notice Period**

- **Eliminates pre-effective tariff review.**
- **Could result in non-compliance with the Commission's rules.**
- **Is not in the Public Interest.**

Equality and Fairness have been debated between "Dominant" and "Non-Dominant" Carriers in the Policy Division's Forbearance Proceedings...

● **Range of Rates and Maximum Rates**

- **Do not comply with the Communications Act.**
- **Commission, customers and competitors are denied meaningful information on CAP prices.**
- **Make it impossible for the Commission to monitor compliance with non-discrimination rules.**
- **The July 7, 1993 District Court Order in AT&T v. MCI supports NYNEX's position.**

● **Proposed tariff filing rules for Non-Dominant Carriers would make it difficult to ascertain violations of the Act or the Commission's rules.**

● **The Commission's proposed rules will exacerbate the significant regulatory inequity between the LECs and CAPs.**

For services and market areas subject to competition, regulation should be equitable to all competitors...

- **In the Competitive Carrier Order (CC 79-252, August 1, 1980) the Commission found that:**

"... classification of carriers or their individual service offerings [as "Dominant"] is not designed to help or hinder any one particular firm or industry, but rather is designed to enable customers to derive the best attainable services..."

(para.60, emphasis added)

The Commission has already found that streamlined tariff filing requirements for specific services of "Dominant" carriers are in the public interest and promote fair competition...

• In Competition in the Interstate Interexchange Carrier Marketplace (CC 90-132, August 1, 1991) the Commission found that:

- **"... further streamlining of [its] regulation of most of AT&T's [business services] ... would be in the public interest";**
(para. 72)
- **"Given the competitiveness of the business services markets, ... advance scrutiny ... no longer appears necessary ...", and**
(para. 73)
- **its current tariffing rules impose direct and indirect costs on consumers by distorting the competitive process. The current rules:**
 - 1. deny pricing flexibility needed to react to market conditions;**
 - 2. create regulatory delays and uncertainty;**
 - 3. fosters a reactive, rather than proactive market, and**
 - 4. reduce the incentive to initiate pro-consumer price and service changes.**
(para. 78 - 80)

- **Although the evolution of competition in interexchange and local markets is not analogous, immediate "streamlined" tariff filing requirements for LEC competitive services in competitive markets is also in the public interest.**

In the Expanded Interconnection Proceeding (CC 91-141), one of the rule changes requested was "streamlined tariff review to facilitate timely LEC competitive response"...

- **The Commission granted pricing flexibility through a zone density pricing plan, but...**

- **denied additional flexibility, stating "... public interest is best served ... by proceeding in a measured fashion, reserving the question of broad pricing and rate structure flexibility for future proceedings"!!**

It is in the public interest to now adopt streamlined tariff filing rules for LEC services subject to competition and, as NYNEX has requested in the Ameritech proceeding, to address the broad pricing and rate structure issues...

In the Ameritech Proceeding, NYNEX requested a further proceeding to address fundamental access charge reform...

- **NYNEX demonstrated that there are a number of rule changes which should be implemented immediately as interim steps:**
 - Volume and term discounts,
 - Zone pricing, and
 - Pricing differential for single line / multi line.
 - **Streamlined tariff filing requirements for all competitors with competitive services in competitive markets can be handled in the same interim fashion.**
 - **The ultimate resolution of tariff filing requirements as well**
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The NYNEX framework calls for a number of short term and long term access subsidy recovery and interstate access pricing reforms. Streamlined tariff filing requirements can be implemented along with these reforms...

SUBSIDY CATEGORY	SHORT TERM RECOVERY	LONG TERM RECOVERY
SPECIAL ACCESS	GSF SHIFT TO COMMON LINE ZONE DENSITY PRICING CONTRACT PRICING FOR RFPS	FULL CONTRACT PRICING MARKET AREA (TMA/CMA) PRICING
CARRIER COMMON LINE - BASE FACTOR PORTION - LONG TERM SUPPORT	SINGLE LINE/MULTILINE MOU PRICING - ZONE DENSITY SINGLE LINE/MULTILINE MOU PRICING - ZONE DENSITY - BULK BILL 1994 INCREASES	RESIDENCE/SL BUSINESS EUCL IXC BULK BILLING
LOCAL SWITCHING - LINE PORT - SWITCH	SEPARATE PORT CHARGE ELEMENT DEAVERAGED MOU PRICING GROWTH DISCOUNT PLAN ZONE DENSITY PRICING	RESIDENCE/BUSINESS EUCL IXC BULK BILLING FULL CONTRACT PRICING MARKET AREA (TMA/CMA) PRICING
LOCAL TRANSPORT - DEDICATED TRANSPORT - INTERCONNECTION CHARGE	VOLUME/TERM DISCOUNTS ZONE DENSITY PRICING CONTRACT PRICING FOR RFPS TRANSITION TO IXC BULK BILLING	FULL CONTRACT PRICING MARKET AREA (TMA/CMA) PRICING IXC BULK BILLING

The NYNEX framework calls for a number of short term and long term access subsidy recovery and interstate access pricing reforms. Streamlined tariff filing requirements can be implemented along with these reforms...

	3QTR93	4QTR93	2QTR94	3QTR94	LONG TERM
SPECIAL ACCESS	<ul style="list-style-type: none"> • GSF SHIFT TO COMMON LINE • ZONE DENSITY PRICING 	<ul style="list-style-type: none"> • CONTRACT PRICING FOR RFPS 			<ul style="list-style-type: none"> • FULL CONTRACT PRICING • MARKET AREA (TMA/CMA) PRICING
SWITCHED ACCESS		<ul style="list-style-type: none"> • GROWTH DISCOUNT PLAN • DEDICATED TRANSPORT TO 	<ul style="list-style-type: none"> • DEAVERAGED PRICING ON CCL & LS USAGE 	<ul style="list-style-type: none"> • BULK BILLING FOR LTS INCREASE • TRANSITION 	<ul style="list-style-type: none"> • SUBSIDY SHIFT TO BULK BILLING ELEMENT

The initial steps in the process can accompany current Commission actions while proceeding toward a long term goal...

- **With zone density pricing for Hi-cap services in zone 1, tariff filing requirements for those services should be the same for all competitors.**
- **When zone density pricing is implemented for switched services in the Transport Restructure and Switched Interconnection Dockets, then tariff filing requirements for switched services in zone 1 should be the same for all competitors.**
- **The USTA Access Reform Plan allows for expansion of tariff filing freedoms as competitive areas grow.**

To proceed in this manner is consistent with past Commission findings on the degree of competition in LEC markets...

- **In its Order on Expanded Interconnection with Local Telephone Company Facilities (CC 91-141, September 17, 1992), the Commission stated:**

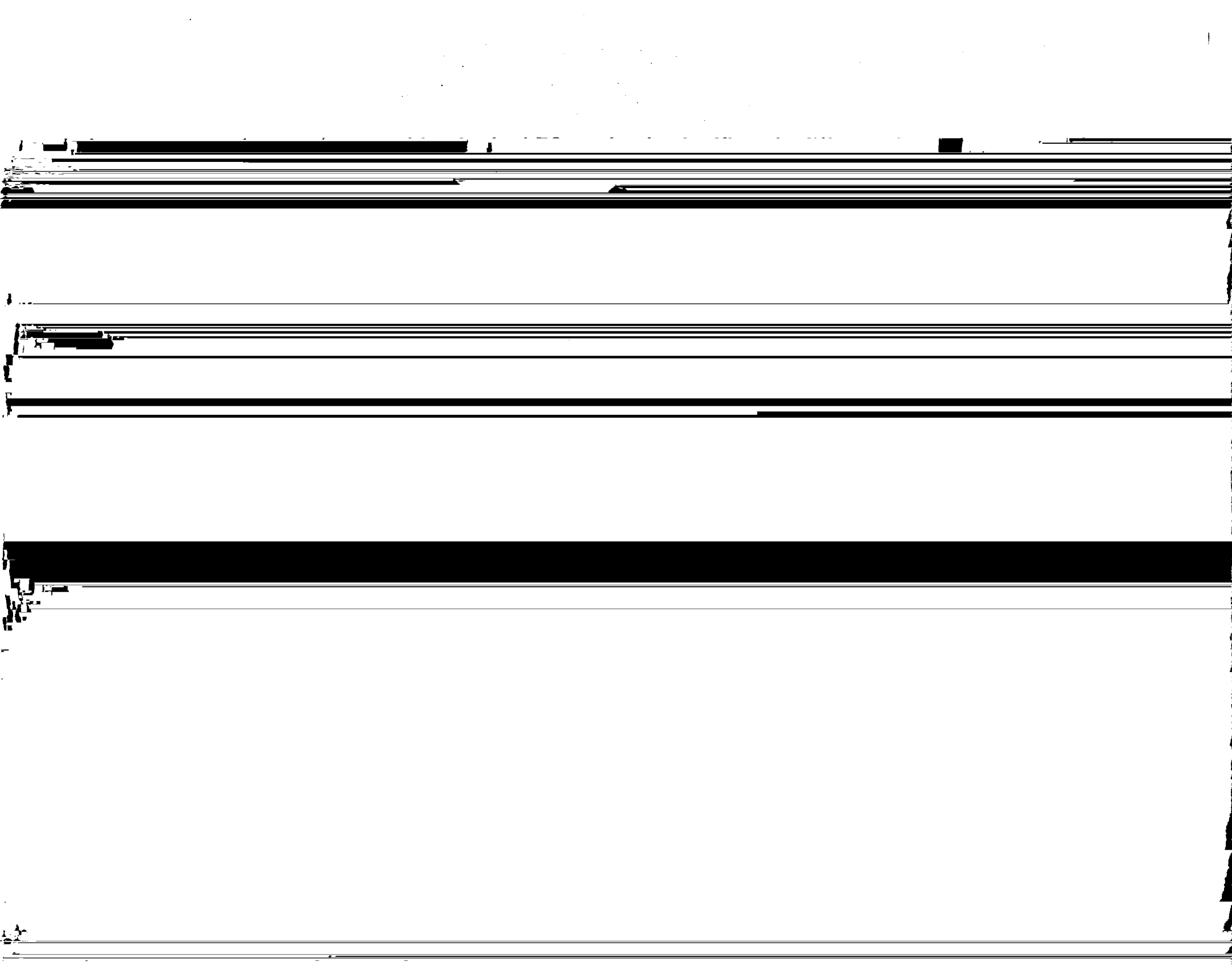
"A service will be deemed subject to competition if interconnectors have provided service of that type over their own circuits using expanded interconnection Under this definition, we deem DS1 and DS3 special access services to be subject to competition."

(fn. 412)

- **NYNEX's serving area has been recognized by the Commission as an area of heightened competition:**

"... in the financial district in southern Manhattan, CAPs already provide a substantial portion of all DS1 and DS3 special access circuits."

(para. 177)



To promote equity and fair competition between "dominant" and "non-dominant" carriers in competitive markets, NYNEX proposes the Commission consider...

- **Streamlined tariffing rules for all carriers and applied to all services subject to competition**

- **Presumption of Lawfulness**

- **14 Day Tariff Review Process**

- **Equitable Cost Support**

- **Different tariff filing requirements may apply outside of competitive market areas.**